

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2875 – SB 3586

May 27, 2010

SUMMARY OF AMENDMENT (014768, 017964, 019137): Deletes all language of the original bill. Deletes existing definitions associated with automobile clubs and associations. Authorizes the Commissioner of the Department of Commerce and Insurance to grant certificates of authorization to automobile clubs and associations and promulgate rules and regulations. Requires automobile clubs and associations to file annually with the Commissioner, an application for a certificate of authority to continue operation in the state. Requires all applicants to pay a \$20 fee to the Commissioner. Amendment 019137 prohibits any local government from placing or operating a traffic enforcement camera on a highway that is maintained using state funds unless the location for such placement has been adopted by ordinance or resolution provided that the local legislative body hold at least two public hearings on different days. Prohibits traffic citations generated by traffic enforcement cameras from being reported to the Department of Safety or being used by any insurance provider or credit agency. Defines a violation as a non-moving violation, subject only to a fine not to exceed \$50 plus court costs. Effective July 1, 2011, court costs may not be assessed against any person who pays the fine unless the person cited chooses to contest the citation in court. Authorizes an additional penalty to be assessed if a second notice of citation is sent by first class mail.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Not Significant

Increase State Expenditures – Not Significant

Increase Local Revenue –

Exceeds \$50,000/Permissive/FY10-11 and Subsequent Years

Decrease Local Revenue – Exceeds \$100,000/FY11-12 and Subsequent Years

Increase Local Expenditures – Not Significant

Assumptions applied to amendment:

- Any increase to state revenue as a result of an increase in applications fees will be not significant.

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- The Department of Commerce and Insurance already regulates the automobile club industry. Any increase to state expenditures will be not significant.
- Based on a limited survey, at least three cities currently charge additional costs for violations. Recurring local revenue is estimated to decrease in an amount exceeding \$100,000 beginning in FY11-12.
- An increase to recurring local revenue exceeding \$50,000 for additional penalties assessed beginning in FY10-11.
- Any increase to local expenditures associated with holding public hearings or assessing additional penalties will be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/jaw